

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

THE WELFARE FRAUD
EARLY DETECTION/PREVENTION
PROGRAMS IN ORANGE, SACRAMENTO,
AND TULARE COUNTIES

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL

P-638

THE WELFARE FRAUD EARLY
DETECTION/PREVENTION PROGRAMS
IN ORANGE, SACRAMENTO, AND TULARE COUNTIES

DECEMBER 1986



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Auditor General

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P-638

Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning the administration and management of the Welfare Fraud Early Detection/Prevention Programs operated by three counties. The report indicates that counties use similar criteria in selecting applications for investigation and that county staff use similar techniques to investigate aid application cases. In addition, the report shows that very few of the applicants referred for investigation are legally prosecuted for fraud but that many applicants are denied aid as a result of fraud investigations. Further, the report notes that the rate of applicants withdrawing from eligibility consideration varies among counties and that applicants who withdraw in one county and who may be eligible do not immediately receive aid in another county. Finally, the report shows that fraud investigations usually do not delay aid payments.

We conducted this audit to comply with Item 5180-141-001 of the 1986 Budget Act.

Respectfully submitted,



THOMAS W. HAYES
Auditor General

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	S-1
INTRODUCTION	1
ANALYSIS	
I CRITERIA COUNTIES USE FOR SELECTING APPLICATIONS TO INVESTIGATE FOR FRAUD AND THE TECHNIQUES COUNTIES USE	5
CONCLUSION	14
II DISPOSITION OF APPLICATIONS REFERRED FOR FRAUD INVESTIGATION	15
CONCLUSION	40
RECOMMENDATION	41
RESPONSES TO THE AUDITOR GENERAL'S REPORT	
HEALTH AND WELFARE AGENCY State Department of Social Services	43
Social Services Agency, County of Orange	45
Department of Social Welfare, County of Sacramento	49
Department of Public Social Services, County of Tulare	51

SUMMARY

RESULTS IN BRIEF

To detect and prevent fraud at the time an individual applies for Aid to Families with Dependent Children (AFDC) or food stamp benefits, the 1983 Budget Act established the Welfare Fraud Early Detection/Prevention (FRED) program and provided funding to counties that wanted to operate a FRED program. As directed by the 1986 Budget Act, we audited the administration and management of the FRED programs operated by at least three counties. We reviewed the FRED programs in Orange, Sacramento, and Tulare counties.

The State estimates that it spent \$1.8 billion during fiscal year 1985-86 on an average of 1.7 million persons per month who received assistance through the AFDC program. Also, in fiscal year 1985-86, the State spent an estimated \$31.4 million for administrative costs of the Food Stamp Program. The 1986 Budget Act also required the Department of Social Services to determine the costs and savings that would result from implementing FRED programs in counties that currently do not have FRED programs.

BACKGROUND

In establishing the FRED program in 1983, the Legislature used as a model a pilot program implemented by Orange County in 1980. The 1983 Budget Act authorized the State to fund any county wishing to implement a program comparable to Orange County's FRED program. To receive state funds, the counties' programs had to meet the following requirements: intake workers may refer an applicant for fraud investigation only after the applicant completes and signs the application for aid; the investigation may not delay the payment of aid to an eligible applicant; the counties may not employ uniformed investigators for the program; before an applicant completes the

application, the counties may not intimidate the applicant by alleging that the application is fraudulent; the counties must document all cases in which applicants withdraw their applications; and the counties must provide a complaint form to all applicants who withdraw. Currently, there are 23 counties receiving state funds to operate FRED programs.

PRINCIPAL ISSUES

The 1986 Budget Act required that we review six specific issues. The following is a list of the issues and the results of our review.

**Criteria Counties Use To Refer
Cases for Investigation**

Intake workers in the three counties we reviewed use similar criteria to refer applications for fraud investigation. For example, an intake worker will refer an application to verify the existence of a child that an applicant claimed had joined the applicant's household after leaving the household of the child's absent father.

**Investigative Techniques
Counties Use**

Except for some restrictions placed on Sacramento County's investigative staff, the investigative staff in the three counties use similar investigation techniques. For example, an investigative person will review records of the county assessor's office to verify the existence of real property belonging to an applicant.

Rate of Fraud

Of the 8,642 aid applications referred for investigation in all three counties during fiscal year 1985-86, the counties prosecuted only 5 cases for fraud and obtained fraud convictions in only 3 cases. However, we estimate that, of the 8,642 applications, the counties denied as many as 1,585 applications (18.3 percent) based on fraud investigations.

Rate of Withdrawals

Of the 8,642 applicants, an estimated 824 applicants (9.5 percent) withdrew their applications.

Withdrawals by Eligible Persons

We could not determine the number of eligible applicants who withdrew their applications because of the fraud investigations. However, we reasoned that eligible applicants who withdrew may have applied for and received aid in other counties. In reviewing applicants in our samples who withdrew and who may have been eligible, though, we determined that these applicants did not receive aid in other counties immediately after withdrawing their applications.

Delays Caused by Investigations

Fraud investigations usually do not delay the payment of aid to eligible applicants. Of the 416 approved applications in our samples of applications that were referred for investigations, we identified 5 cases in which the investigations delayed the payment of aid to applicants from 2 to 9 days.

RECOMMENDATIONS

The Department of Social Services should reiterate to counties the statutory requirement that fraud investigations not delay the payment of aid to eligible applicants.

AGENCY COMMENTS

The State Department of Social Services and the Department of Public Social Services, County of Tulare, agree with our report's findings.

The Social Services Agency, County of Orange, stated that Orange County uses all of the reasons for referral and all of the investigation techniques identified in the report used in Sacramento County and Tulare County. Orange County also stated that all withdrawals by ineligible applicants are the result of the FRED program, that it actively prosecutes continuing cases for fraud, and that it complies with state requirements for paying aid to applicants promptly. Finally, Orange County contends that our report should include an estimate of the costs that are avoided as a result of the FRED program and that the Auditor General's Office should recommend a statewide implementation of the FRED program. However, we point out that the 1986 Budget Act did not direct the Auditor General's Office to estimate the costs avoided by the FRED program and that the information in the report does not support a recommendation for a statewide implementation of the FRED program.

The Department of Social Welfare, County of Sacramento, contends that, because of our methodology in identifying delays caused by investigations, Sacramento County was treated differently than Orange County. In addition, Sacramento County emphasizes that it authorizes aid much more quickly than Orange County and Tulare County do and that the FRED program is not the only cause of the additional time it takes to authorize aid in cases referred for investigation.

INTRODUCTION

The Aid to Families with Dependent Children (AFDC) program provides cash grants to children and their parents or guardians when the family's income is insufficient to meet basic needs. A family that receives an AFDC grant must meet certain eligibility requirements to qualify for a cash grant. Eligibility is limited to families with needy children whose parent or parents are deceased, incapacitated, not fully employed, or continually absent. The amount of the cash grant, which can be issued only from the county where the family maintains a permanent residence, is determined by the number of eligible persons in the family and by the family's income.

California counties, under the direction of the Department of Social Services, are responsible for administering the AFDC program. The State estimates that it spent \$1.8 billion in fiscal year 1985-86 on AFDC grants to assist an average of 1.7 million persons per month. The State spent approximately \$51.9 million of the \$1.8 billion in Orange County, approximately \$93.7 million in Sacramento County, and approximately \$33.4 million in Tulare County.

Some families that receive AFDC grants are also eligible to participate in the Food Stamp Program. The Food Stamp Program provides food stamps at no cost to eligible, low-income households so that these households are able to maintain an adequate level of nutrition. Like the AFDC program, the Food Stamp Program is administered by the

counties under the direction of the State. Although the cost of the food stamps is funded entirely by the federal government, the State incurs administrative costs of the program. In fiscal year 1985-86, the State spent \$31.4 million for administrative costs of the Food Stamp Program. The State spent approximately \$979,000 of the \$31.4 million in Orange County, approximately \$924,000 in Sacramento County, and approximately \$434,000 in Tulare County.

The 1983 Budget Act established the Welfare Fraud Early Detection/Prevention (FRED) program to detect and prevent fraud at the time an individual applies for AFDC, food stamps, or both. The FRED program was modeled after a pilot program implemented by Orange County in early 1980. The 1983 Budget Act also authorized the State to assist any county seeking financial assistance to operate a FRED program, provided the program was as cost-effective as Orange County's pilot program. Currently, there are 23 counties receiving state funds to operate FRED programs. In fiscal year 1985-86, the State spent an estimated \$674,000 on the FRED program.

SCOPE AND METHODOLOGY

We conducted this audit to comply with Item 5180-141-001 of the 1986 Budget Act, which required that the Office of the Auditor General review the administration and management of the FRED programs operated by at least three counties, including Orange County. The legislation required that we review the selection criteria that

counties use to initiate an investigation; the investigative methodology used by the counties' FRED programs; the rate of fraud found in each county; the rate of applicant withdrawals from eligibility consideration in each county; the number of applicants who were eligible for support in each county but who withdrew their applications because of investigations; and the average length of time awards in each county are delayed because of investigations.

In addition to reviewing Orange County, we reviewed Sacramento County and Tulare County because both counties refer a high number of cases for investigation and because they receive state funds to operate FRED programs. We did not attempt to identify counties that may have similar programs but which did not seek financial assistance from the State to operate a FRED program.

To identify the criteria counties use to initiate investigations, we interviewed a total of 30 intake workers and intake supervisors in the three counties, and we analyzed our random samples of aid applications referred for investigation during fiscal year 1985-86 to identify the reasons for the referrals. To identify the investigative methodology used by the counties' FRED programs, we interviewed a total of 15 investigative staff in the three counties.

To determine the rate of fraud and the rate of applicant withdrawals from consideration for eligibility, we selected random samples of 630 AFDC and public assistance food stamp applications

referred for investigation in the three counties during fiscal year 1985-86. We determined the number of applications that were denied and the number of applications that were withdrawn in our samples and used these numbers to estimate the total number of applications denied and withdrawn in each county. In addition, we reviewed the counties' special investigation files to determine, from the number of aid application cases referred for fraud investigation during fiscal year 1985-86, the number of cases prosecuted for fraud and the number of cases in which the counties obtained fraud convictions.

We could not determine the number of applicants who were eligible for support in each county but who withdrew their applications because of fraud investigations. However, we determined if applicants who withdrew, and may have been eligible, received aid in another county after withdrawing their applications.

To determine the average length of time that awards in each county are delayed because of fraud investigations, we selected, for fiscal year 1985-86, random samples of 416 applications that were referred for investigation but were approved for payment and random samples of 375 applications that were not referred for investigation and were approved. For each county, we compared the average number of days that elapsed between the dates the applicants applied for aid and the dates the intake workers authorized the payments of aid.

ANALYSIS

I

CRITERIA COUNTIES USE FOR SELECTING APPLICATIONS TO INVESTIGATE FOR FRAUD AND THE TECHNIQUES COUNTIES USE

As part of the Welfare Fraud Early Detection/Prevention (FRED) program, intake workers in Orange, Sacramento, and Tulare counties use similar criteria for referring applications for investigation of fraud. In addition, investigative staff in all three counties use similar techniques to examine the referred cases.

Similar Criteria for Referring Applications

The Department of Social Services' Policies and Procedures Manual, Division 20, Section 20-003.2, requires intake workers, who accept and process initial applications for aid, to refer an application for investigation of fraud whenever they suspect that one or more of the statements establishing eligibility on the application is false. We spoke with 30 intake workers and intake supervisors in Orange, Sacramento, and Tulare counties, and they told us that they refer applications for fraud investigation for a variety of reasons. We reviewed the reasons given by the intake workers and their supervisors for referring applications by reviewing the forms that the intake workers use to refer cases for investigation, and we found evidence supporting the reasons we were given. Table 1 presents the

reasons that intake workers in Orange, Sacramento, and Tulare counties refer aid applications for fraud investigation.

TABLE 1
REASONS INTAKE WORKERS IN THREE COUNTIES
REFER AID APPLICATIONS FOR FRAUD INVESTIGATION

<u>Reason for Referral</u>	<u>County</u>		
	<u>Orange</u>	<u>Sacramento</u>	<u>Tulare</u>
Questionable existence or absence of household members	X	X	X
Contradictory statements by applicants or family members	X	X	X
Inconsistent information on application forms	X	X	X
Undetermined source of income	X	X	X
Applicant vague about whereabouts of spouse or dependents	X	X	X
Applicant previously investigated or aid previously discontinued	X	X	X
Unemployed parent or adult in home	X	X	X
Applicant transferred from another county or state	X		X
Questionable residence address or mailing address different than residence address		X	X
Lack of proper identification			X

As the table shows, intake workers in all three counties refer applications if the workers question the applicants' statements regarding the composition of their households. For example, an intake worker in Sacramento County referred an application when a woman applied for aid under her maiden name but was listed by a utility company under her husband's surname. In addition, the applicant and her husband had previously received aid in another county. Although the applicant claimed that she and her husband were separated, the intake worker referred the case for investigation to verify that the husband was not living in the applicant's home. In addition, Table 1 shows that intake workers in all three counties refer cases if the workers question the applicants' statements regarding their incomes. For example, an intake worker in Tulare County referred an application for investigation in November 1985 because the applicant claimed that she had had no income since 1983.

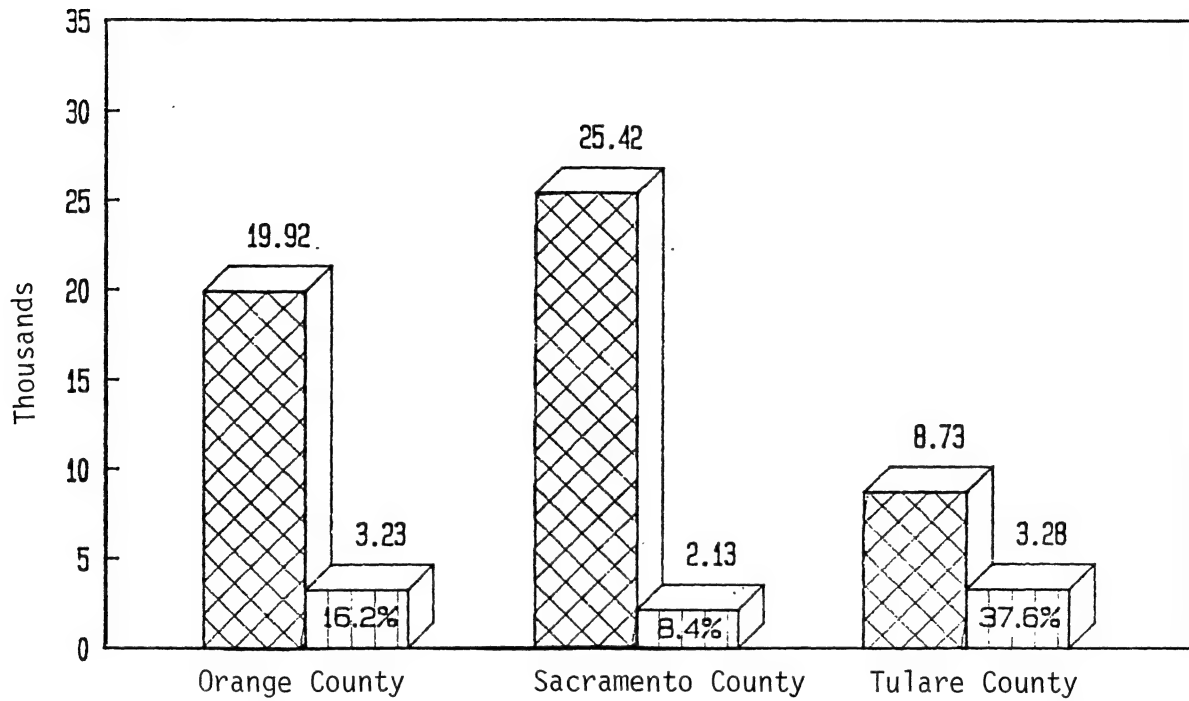
One reason for referring applications cited by all of the intake workers we spoke with is the nonverbal clues given by an applicant. For example, some intake workers become suspicious if an applicant appears nervous or anxious, and some workers are wary of an applicant who appears too calm or self-assured. Although all of the intake workers stated that they refer cases because of nonverbal clues, we found no conclusive evidence in the cases we reviewed showing that intake workers refer cases on this basis alone.

When selecting cases to refer for investigation, only the intake workers in Tulare County are guided by written, formal criteria. However, the written criteria used by Tulare County's intake workers are very similar to the informal criteria used by the intake workers in Orange County and Sacramento County. The only difference is that intake workers in Tulare County refer cases in which the applicants lack proper identification such as a birth certificate or a social security number.

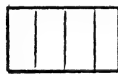
Graph 1 compares the number of cases referred for investigation in each county to the total number of applications for AFDC and for public assistance food stamps the counties processed in fiscal year 1985-86.

GRAPH 1

**THE ESTIMATED TOTAL NUMBER OF APPLICATIONS
PROCESSED COMPARED TO THE NUMBER OF
CASES REFERRED FOR INVESTIGATION
IN THREE COUNTIES
FISCAL YEAR 1985-86**



Total applications for AFDC and for public assistance food stamps



Applications referred for investigation

Similar Techniques Used To Investigate Applications

Once an intake worker refers an application for fraud investigation, the county's investigative unit is responsible for verifying the statements on the application. The investigative unit then reports its findings to the intake worker, who may use the investigation results in deciding whether to authorize the payment of aid. In Orange County and Tulare County, the staff who conduct investigations are classified as fraud investigators and are assigned to the Special Investigations Unit in each county. In Sacramento County, investigative staff are classified as eligibility workers and are assigned to the Early Fraud Detection Unit.

Although the personnel classification of investigative staff in Sacramento County differs from the classification of investigative staff in Orange County and Tulare County, the counties use similar investigation techniques. Table 2 shows the most common techniques used by the investigative staff and the county in which the techniques are used.

TABLE 2
TECHNIQUES USED IN THREE COUNTIES
TO INVESTIGATE WELFARE APPLICATIONS

<u>Investigation Techniques</u>	<u>County</u>		
	<u>Orange</u>	<u>Sacramento</u>	<u>Tulare</u>
Check records at county assessor's office	X	X	X
Check motor vehicle records			
In-state	X	X	X
Out-of-state	X	X*	X
Visit applicant's home	X	X	X
Conduct a surveillance or stakeout	X		X
Check criminal records	X		X
Check collateral contacts	X	X**	X
Check social security records	X	X**	X
Obtain information from financial institutions	X	X**	X
Check school records	X	X**	X
Check with telephone or utility companies	X		X
Check with post office	X		X

*This technique is used only with the assistance of fraud investigators from the county's Special Investigations Unit.

**These techniques are used only after obtaining written consent from the applicant.

As the table shows, investigative staff in all three counties review records of the county assessor's office to determine whether an applicant owns any real property. In addition, the investigative personnel check records of the California Department of Motor Vehicles to determine if an applicant owns a vehicle registered in California or to determine the relationship between an applicant and the owner of any unidentified vehicle located on the applicant's premises. Furthermore, fraud investigators and investigative eligibility workers alike will interview an applicant in the applicant's home or, with the applicant's verbal permission, will inspect the applicant's home to substantiate the applicant's statements. For example, if an applicant claimed to have three children aged four years or younger, the investigative person might verify the existence of the children and children's clothing. Finally, only the fraud investigators in Orange County and Tulare County stated that they conduct a surveillance of an applicant's actions or a stakeout of an applicant's home.

Although staff in all counties may freely use some of the investigation techniques listed, the investigative eligibility workers in Sacramento County are restricted from using other techniques. For example, investigative eligibility workers are not allowed to check local, state, and federal criminal records during an investigation; fraud investigators, however, are allowed by state and federal law to check these records. Similarly, investigative eligibility workers are not allowed to directly check motor vehicle records of other states, whereas fraud investigators are allowed to do so. However,

investigative eligibility workers we spoke with in Sacramento County said that they sometimes request that fraud investigators from the county's Special Investigations Unit check out-of-state vehicle records.

Investigative eligibility workers are further restricted in their investigations by not being allowed to use certain techniques without the written consent of the applicants. For example, without the written consent of an applicant, an investigative eligibility worker cannot conduct interviews--known as collateral contacts--of the applicant's employer, neighbors, relatives, and other persons having knowledge of the applicant's situation. Further, an investigative eligibility worker cannot check an applicant's social security records or obtain information from financial institutions without written permission from the applicant. Although the investigative eligibility workers we interviewed said they do obtain permission before using certain investigation techniques, they also said that having to do so hinders their investigations. One worker we spoke with said that obtaining consent from an applicant before contacting the applicant's neighbor, for example, allows the applicant and the neighbor to conspire in concealing a misstatement on the application. Fraud investigators are not required to obtain an applicant's consent before using the techniques described above and do use these techniques in their investigations.

Using the information available to us during our review, we cannot conclude whether fraud investigators are more effective than investigative eligibility workers in conducting fraud investigations.

CONCLUSION

Intake workers in Orange, Sacramento, and Tulare counties use similar criteria for referring applications for fraud investigations. In addition, except for some restrictions on staff in Sacramento County, investigative staff in all three counties use similar techniques to investigate applications.

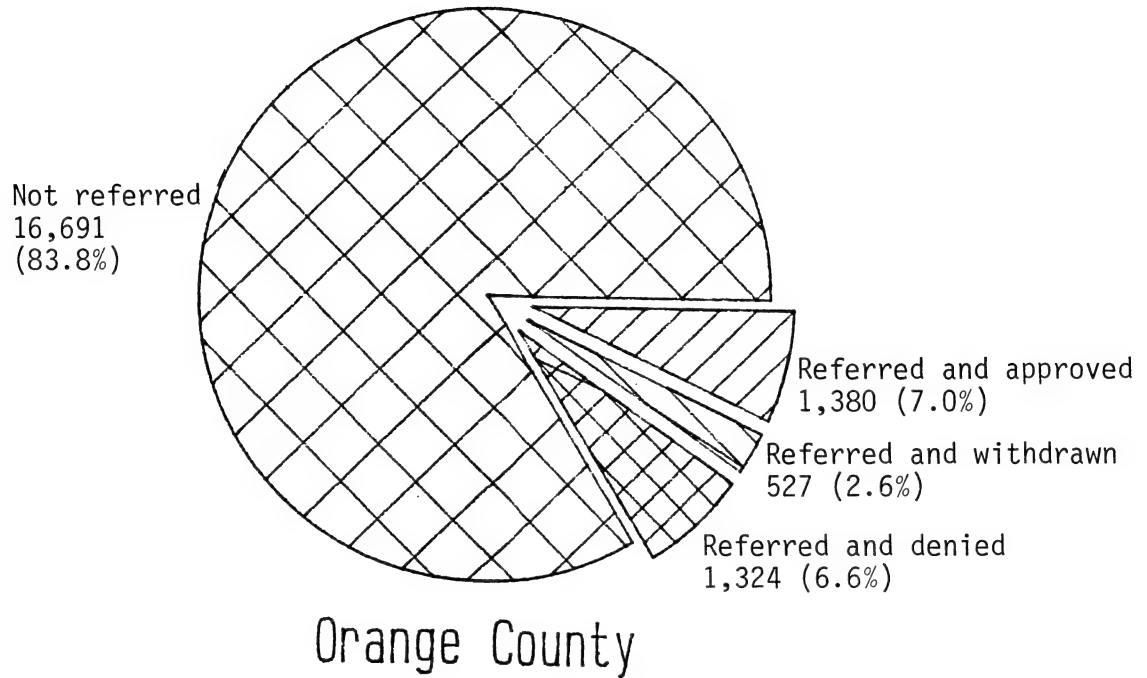
II

DISPOSITION OF APPLICATIONS REFERRED FOR FRAUD INVESTIGATION

Aid applications that are referred for fraud investigation are approved for payment by an intake worker, denied by an intake worker, or withdrawn by the applicant. When these dispositions are made, a fraud investigation may not yet have been started, may be in process, or may be completed. Of the approximately 54,074 applications for AFDC and for public assistance food stamps processed in Orange, Sacramento, and Tulare counties during fiscal year 1985-86, the counties' intake workers referred 8,642 (16.0 percent) applications for investigation. Of these referred applications, the counties approved an estimated total of 5,257 (60.8 percent) applications and denied an estimated total of 2,561 (29.7 percent) applications. In addition, 824 (9.5 percent) of the applicants referred for investigation withdrew their applications. Charts 1, 2, and 3 show the disposition of applications referred for investigation in each of the three counties during fiscal year 1985-86. Each chart also shows the number of referrals as a portion of the approximate total number of applications processed.

CHART 1

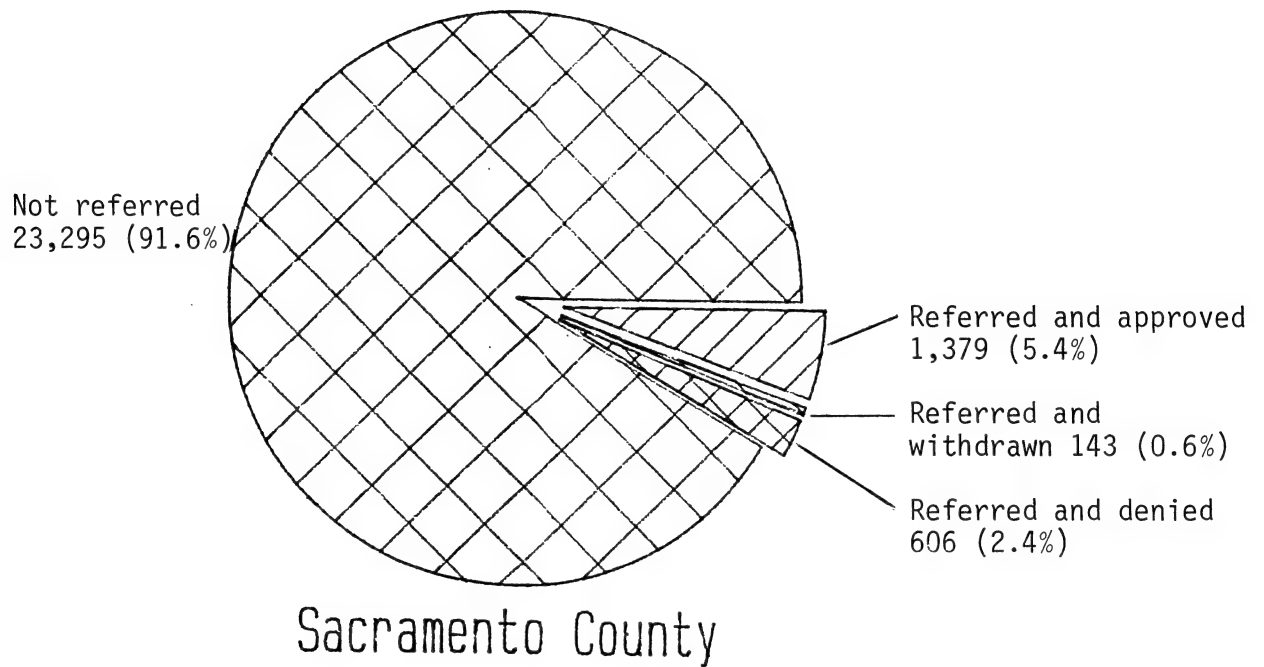
**DISPOSITION OF APPLICATIONS
REFERRED FOR INVESTIGATION IN ORANGE COUNTY
FISCAL YEAR 1985-86***



*These numbers are estimates based on our sample of aid applications referred for investigation.

CHART 2

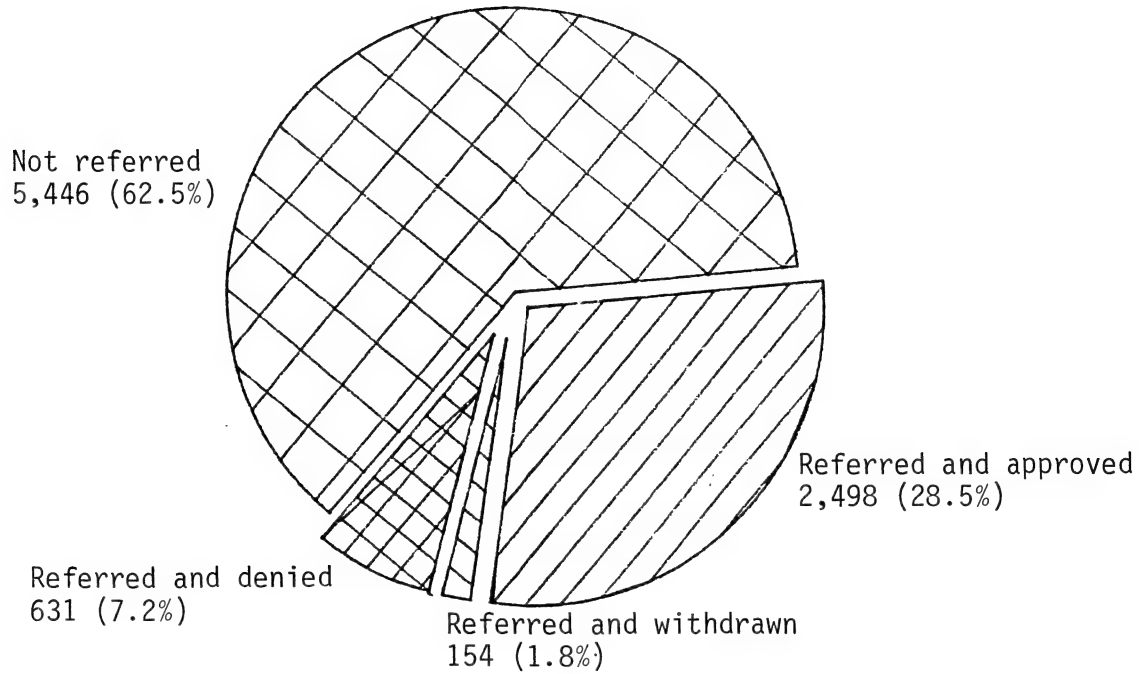
**DISPOSITION OF APPLICATIONS REFERRED FOR
INVESTIGATION IN SACRAMENTO COUNTY
FISCAL YEAR 1985-86***



*These numbers are estimates based on our sample of aid applications referred for investigation.

CHART 3

**DISPOSITION OF APPLICATIONS REFERRED FOR
INVESTIGATION IN TULARE COUNTY
FISCAL YEAR 1985-86***



Tulare County

*These numbers are estimates based on our sample of aid applications referred for investigation.

Very Few of the Applicants
Referred for Fraud Investigations
Are Legally Prosecuted for Fraud

Under the Welfare and Institutions Code, Section 11482, welfare fraud exists when an applicant willfully and knowingly, with the intent to deceive, makes a false statement when applying for aid. To establish that an applicant committed fraud, the county district attorney's office must legally prosecute the applicant and obtain a conviction against the applicant. Of the 8,642 aid applications referred for investigation in Orange, Sacramento, and Tulare counties during fiscal year 1985-86, the counties prosecuted only 5 cases for fraud and, as of October 31, 1986, have obtained a fraud conviction in only 3 cases. In the remaining two cases, the outcome of court trials is still pending. Table 3 shows the number of prosecutions and convictions in each county.

TABLE 3
**THE NUMBER OF CASES PROSECUTED AND THE
NUMBER OF APPLICANTS CONVICTED
FOR WELFARE FRAUD IN THREE COUNTIES
FISCAL YEAR 1985-86**

	<u>County</u>			
	<u>Orange</u>	<u>Sacramento</u>	<u>Tulare</u>	<u>Total</u>
Cases referred for investigation	<u>3,231</u>	<u>2,128</u>	<u>3,283</u>	<u>8,642</u>
Convictions for fraud	0	1	2	3
Cases pending outcome of court trial	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>
Total cases prosecuted for fraud	<u>0</u>	<u>2</u>	<u>3</u>	<u>5</u>

Counties Emphasize Investigations
Rather Than Fraud Prosecutions

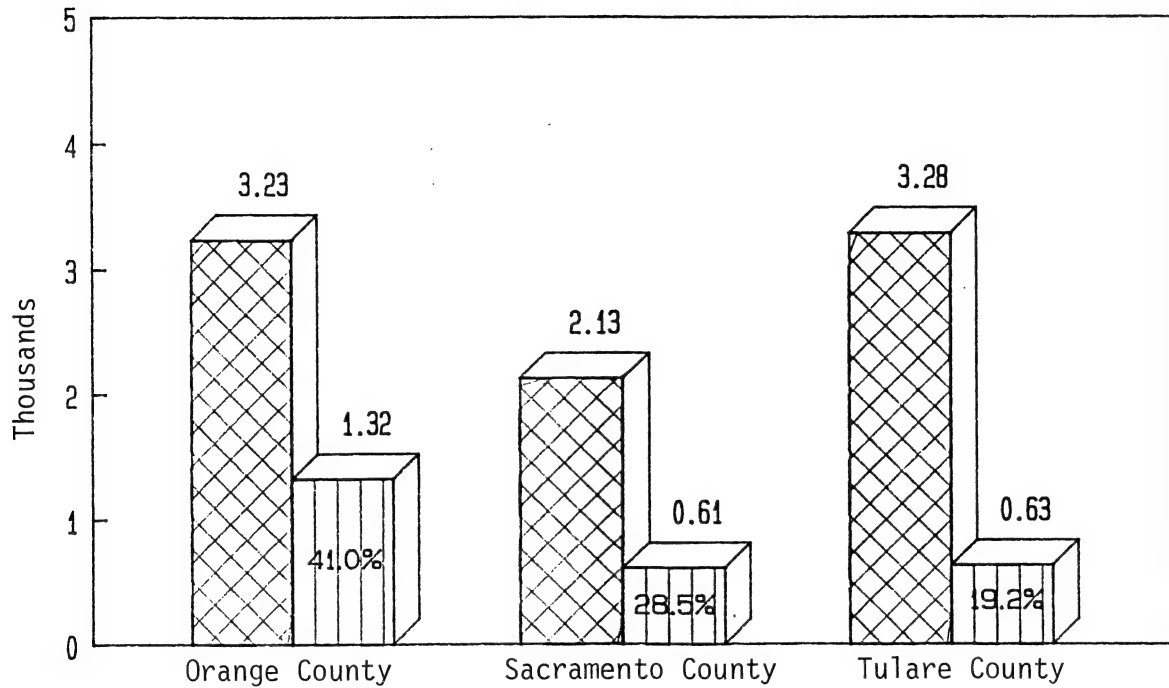
According to the heads of the investigative units in each of the three counties, the counties do not prosecute more cases because of the large amount of time that is required to gather the evidence to establish fraud; less time is required to deny an applicant aid. Rather than spend time establishing cases of fraud, the heads of the investigative units in Orange County and Tulare County said that they concentrate their efforts on verifying the accuracy of statements made by applicants referred for investigation. To establish cases of fraud in Sacramento County, the head of the Early Fraud Detection Unit said that he must refer cases to the county's Special Investigations Unit

for additional investigation. Because the investigative units spend their time verifying applicants' statements, the investigative units complete more investigations and report to intake workers their findings on more applicants. Intake workers, basing their decisions on completed fraud investigations, deny aid to ineligible applicants.

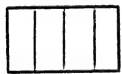
Although the three counties prosecuted only 5 cases for fraud, the counties denied aid to an estimated 2,561 (29.7 percent) of the 8,642 applicants referred for investigation during fiscal year 1985-86. Of the 2,561 applicants that were denied aid, the fraud investigations contributed, either directly or indirectly, to the intake workers' denying as many as 1,585 (61.9 percent) cases. These 1,585 cases represent 18.3 percent of the 8,642 applicants referred for investigation during fiscal year 1985-86. To calculate the number of applications denied in all three counties, we made estimates based on random samples of applications that were referred for investigation in each county. We reviewed a sample of 630 applications: 217 in Orange County, 179 in Sacramento County, and 234 in Tulare County. Graph 2 shows the number of applications referred for investigation in each county and the estimated number of denials in each county.

GRAPH 2

**THE ESTIMATED NUMBER OF APPLICATIONS
REFERRED FOR INVESTIGATION COMPARED TO THE
ESTIMATED NUMBER OF CASES DENIED IN THREE COUNTIES
FISCAL YEAR 1985-86**



Number of referrals



Number of denials

Each of the three counties we visited classifies an aid application as "denied" if the applicant did not meet all eligibility requirements or if the applicant orally requested withdrawal. Because we address applicant withdrawals in a separate section of this report, in this section, we identify a case as denied only when the county officially denies the case because the applicant did not meet all eligibility requirements. For example, we classify as denied an application that Sacramento County denied because an investigation determined that the applicant actually resided in San Joaquin County and, therefore, was not eligible for aid in Sacramento County. Conversely, in Orange County, an intake worker's case file indicates that an applicant asked to withdraw her application, and the county denied aid to the applicant because she requested the withdrawal. Although Orange County counted this type of case as a denial in its yearly report to the Department of Social Services, we considered the application to have been withdrawn by the applicant.

In our samples, we identified a total of 165 denials: 69 in Orange County, 51 in Sacramento County, and 45 in Tulare County. We reviewed each of these denials to determine what effect the fraud investigations had on the disposition of these applications. In 62 of the cases, the denials clearly were the result of the fraud investigations. For example, an investigator in Orange County found that an applicant was working part-time, and the applicant was denied aid because her total income exceeded the allowable amount. Based on the 62 cases that were denied because of information gathered during

fraud investigations, we estimate that, of the 2,561 cases denied during fiscal year 1985-86, 966 cases (37.7 percent) clearly were denied because of fraud investigations.

In another 40 of the cases, the applications were officially denied for reasons not related to the investigations, but the investigative units reported circumstances that placed the applicants' eligibility in question. In these cases, we cannot conclusively determine whether the investigations had any effect on the disposition of the applications. For example, during an investigation in Sacramento County, an investigative eligibility worker visited the home of a female applicant to verify the composition of the applicant's household. Parked in the driveway of the applicant's residence was a vehicle that, according to the applicant's statements, was driven by her husband. A child answering the door of the applicant's residence told the worker that the child's father, the applicant's husband, was at the residence. The applicant then came to the door and told the worker that the child was confused, and that, although her husband's belongings were there, her husband was not and that he did not live with the applicant. When the worker returned to the applicant's residence six days later, the residence had been vacated. The applicant was officially denied aid because the worker could not contact the applicant at the applicant's reported residence. Based on the 40 cases that were denied when investigation records disclosed questions about the applicants' eligibility, we estimate that the fraud

investigations indirectly contributed to the denial of as many as 619 (24.2 percent) of the 2,561 cases denied by the counties during fiscal year 1985-86.

In another 58 cases, the applications clearly were denied for reasons not related to fraud investigations. For example, in a case in Tulare County, the investigative unit did not start an investigation until after the intake worker had already denied the applicant aid. Based on these 58 cases, we estimate that, of the 2,561 cases denied during fiscal year 1985-86, fraud investigations clearly did not contribute to the intake workers' reasons for denying aid in 903 cases (35.3 percent).

Finally, in the remaining five cases, there was insufficient information available in the case files for us to determine the effect that the fraud investigations had on the cases that were denied. Therefore, we estimate that we cannot determine the impact that fraud investigations had on 73 (2.8 percent) of the 2,561 cases denied during fiscal year 1985-86.

Table 4 shows the effect that fraud investigations had on the estimated number of cases that were denied in each of the three counties we reviewed.

TABLE 4
THE EFFECT OF INVESTIGATIONS ON THE
ESTIMATED NUMBER OF APPLICATIONS THAT WERE DENIED
IN THREE COUNTIES
FISCAL YEAR 1985-86

	<u>County</u>			
	<u>Orange</u>	<u>Sacramento</u>	<u>Tulare</u>	<u>Total</u>
Denials clearly the result of fraud investigations	576	320	70	966 (37.7%)
Denials possibly the result of fraud investigations	326	167	126	619 (24.2%)
Denials clearly not the result of fraud investigations	403	107	393	903 (35.3%)
Insufficient information to determine	<u>19</u>	<u>12</u>	<u>42</u>	<u>73</u> (2.8%)
Total Number of Denials	<u>1,324</u>	<u>606</u>	<u>631</u>	<u>2,561</u> (100%)

The Rate at Which Applicants Withdraw Their Applications Varies Among Counties

At any time during the application process, an applicant may formally or informally withdraw his or her application for aid. We considered an applicant to have formally withdrawn an application if he or she filed a written statement with the county requesting withdrawal. The written statement could be made on a formal withdrawal form provided by the county or in a letter written and signed by the

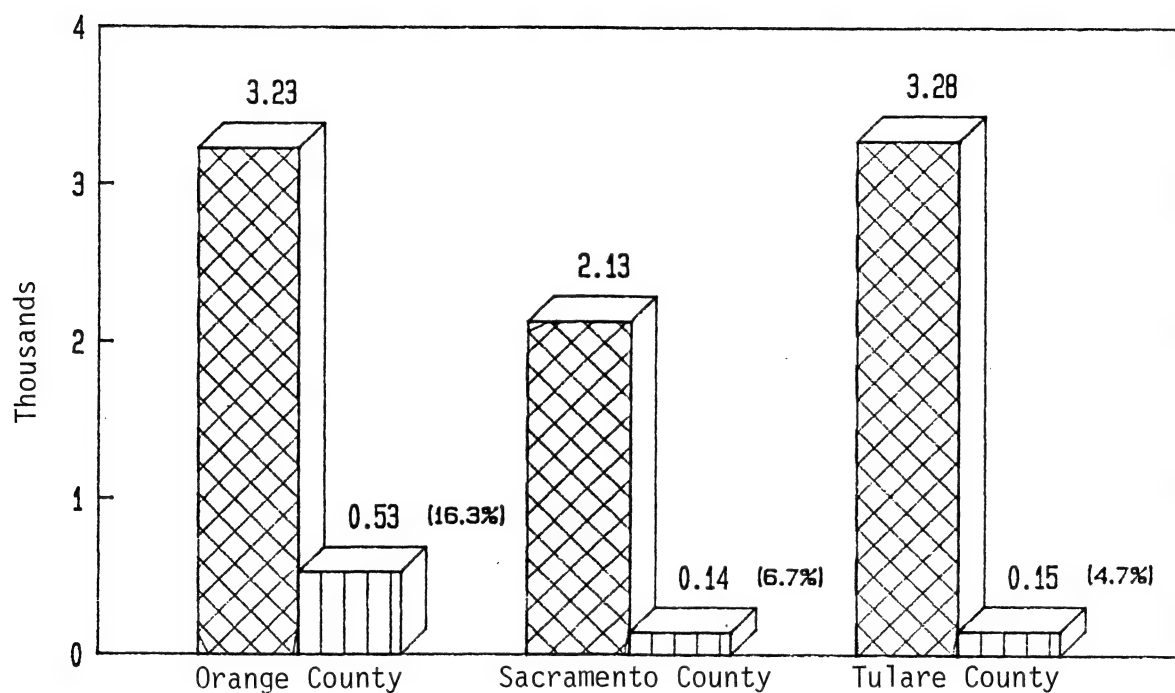
applicant. We considered an application informally withdrawn if the evidence in the county files indicated that the applicant orally notified an intake worker or investigative person of his or her request to withdraw. We considered the oral notification regardless of the progress of the fraud investigation. For example, in one case, an investigator first contacted the applicant, who informed the investigator that she wanted to withdraw because she was moving to Texas that same day. We considered this application to have been withdrawn because we reasoned that, although the investigation would have revealed that the applicant was no longer eligible, the applicant did withdraw first. Further, unless the county files clearly indicated that an investigation found an applicant ineligible before the applicant requested withdrawal and unless the applicant was denied aid because of the findings of the investigation, we considered the application to have been withdrawn. As discussed later in this section, we reviewed each withdrawal in our individual county samples to determine what effect the fraud investigations had on the disposition of these applications.

Based on our random samples of applications referred for investigation in Orange, Sacramento, and Tulare counties, we estimate that, of the 8,642 applications referred for investigation in all three counties, 824 (9.5 percent) of the applications were withdrawn by the applicants. Furthermore, we estimate that, of the 824 applications that were withdrawn, 478 (58.0 percent) were informally withdrawn and 346 (42.0 percent) were formally withdrawn. Graphs 3 and 4 show the

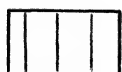
number of applications referred for investigation in each county, the estimated number of withdrawals in each county, and, of the number of withdrawals, the number of informal and formal withdrawals.

GRAPH 3

THE ESTIMATED NUMBER OF APPLICATIONS REFERRED FOR
INVESTIGATION COMPARED TO THE ESTIMATED NUMBER OF
WITHDRAWALS IN THREE COUNTIES
FISCAL YEAR 1985-86



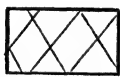
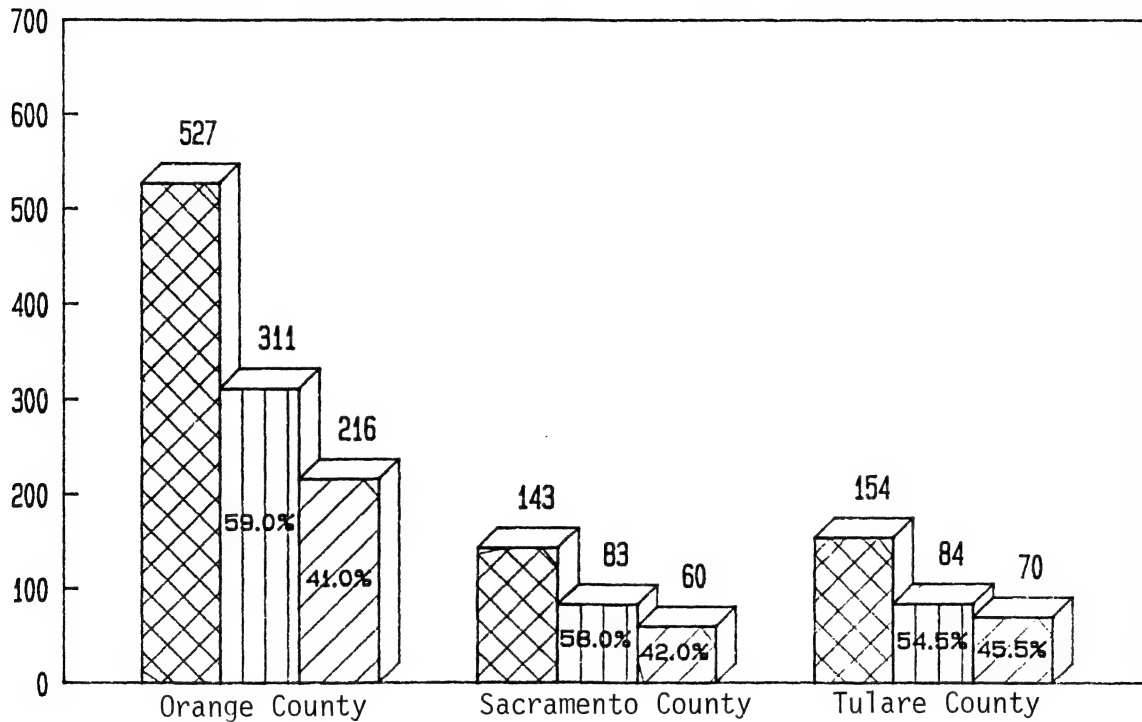
Number of referrals



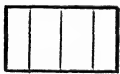
Number of withdrawals

GRAPH 4

**THE ESTIMATED TOTAL NUMBER OF APPLICATIONS
FORMALLY AND INFORMALLY WITHDRAWN IN THREE COUNTIES
FISCAL YEAR 1985-86**



Total number of withdrawals



Number of informal withdrawals



Number of formal withdrawals

In our samples, we identified a total of 49 withdrawals: 26 in Orange County, 12 in Sacramento County, and 11 in Tulare County. We reviewed each of these withdrawals to determine what effect the fraud investigations had on the disposition of these applications. In 7 of the cases, the withdrawals clearly were the result of the fraud investigations. For example, in a case in Orange County, a female applicant claimed that her husband was incapacitated and could not work and that she worked only part time. A fraud investigator confronted the applicant and her husband at the store where they both were employed full time. After the investigator advised the applicant that she and her husband could be prosecuted for fraud and perjury, the applicant asked to withdraw her application. Based on the 7 cases in which the applicants withdrew because of information gathered during fraud investigations, we estimate that 124 (15.1 percent) of the 824 cases withdrawn during fiscal year 1985-86, were withdrawn because of the fraud investigations.

In another 15 of the cases, the applicants withdrew their applications, and the investigative units reported circumstances that placed the applicants' eligibility in question. However, in these cases, we cannot conclusively determine whether the investigations had any effect on the applicants' decisions to withdraw. For example, after being questioned by a fraud investigator in Orange County, an applicant identified sources of income that she did not initially reveal to the intake worker. Although the additional sources of income may have made the applicant ineligible for aid, the applicant withdrew

her application, stating that she "wanted to get a job." Based on the 15 cases that were withdrawn when investigations disclosed questions about the applicants' eligibility, we estimate that the fraud investigations indirectly contributed to the withdrawal of as many as 256 (31.1 percent) of the 824 cases withdrawn during fiscal year 1985-86.

In another 26 cases, the applications clearly were withdrawn for reasons not related to fraud investigations. For example, an applicant in Tulare County withdrew her application because she anticipated getting a job. Twelve days after the applicant withdrew her application, the fraud investigator filed a report stating that he made two unsuccessful attempts to contact the applicant and that he learned that the applicant had found a job and had withdrawn her application. Based on these 26 cases, we estimate that, of the 824 cases withdrawn during fiscal year 1985-86, fraud investigations clearly did not contribute to the applicants' decisions to withdraw in 423 cases (51.3 percent).

Finally, in the remaining case, there was insufficient information available in the case file for us to determine if the fraud investigation had any effect on the case that was withdrawn. Therefore, we estimate that we cannot determine the impact that fraud investigations had on 21 (2.5 percent) of the 824 cases withdrawn during fiscal year 1985-86.

Table 5 details the effect that fraud investigations had on the withdrawals in each of the three counties we reviewed.

TABLE 5
THE EFFECT OF INVESTIGATIONS ON THE ESTIMATED NUMBER
OF APPLICATIONS WITHDRAWN IN THREE COUNTIES
FISCAL YEAR 1985-86

	<u>County</u>			
	<u>Orange</u>	<u>Sacramento</u>	<u>Tulare</u>	<u>Total</u>
Withdrawals clearly the result of fraud investigations	101	23	0	124 (15.1%)
Withdrawals possibly the result of fraud investigations	182	60	14	256 (31.1%)
Withdrawals clearly not the result of fraud investigations	223	60	140	423 (51.3%)
Insufficient information available to determine	<u>21</u>	<u>0</u>	<u>0</u>	<u>21</u> (2.5%)
Total Number of Withdrawals	<u>527</u>	<u>143</u>	<u>154</u>	<u>824</u> (100%)

Applicants Who Withdraw and Who May Be Eligible Do Not Immediately Receive Aid in Another County

The 1986 Budget Act required us to determine the number of applicants who were eligible for aid in each county but who withdrew their applications because of fraud investigations. When an applicant who is referred for fraud investigation withdraws his or her

application, the intake worker closes the case and does not complete the steps necessary to determine if the applicant would have been eligible for aid. Because an applicant's eligibility is based on circumstances existing at the time of application, we cannot now determine an applicant's past eligibility, nor can we determine whether an applicant who withdrew would have been eligible otherwise.

However, in our samples of the 630 cases referred for investigation, we were able to identify 25 applicants who withdrew their applications and for whom the counties' files contained no evidence that the applicants were not eligible for aid. All of the other withdrawals in our samples involved applicants who, according to the counties' files, withdrew because their eligibility status had changed and they were no longer eligible for aid. We reasoned that, if the 25 applicants who may have been eligible truly required aid but withdrew their applications because of fraud investigations, the applicants may have attempted to receive aid in other counties.

We considered an applicant to have received aid immediately in another county only if the applicant did not reapply and receive aid in the county in which he or she originally withdrew. For example, one applicant who withdrew her application in Sacramento County in January 1986 received aid in Sacramento County in February and March 1986 and began receiving aid in Yolo County in April 1986. We did not consider this applicant to have received aid immediately after withdrawing in Sacramento County.

To determine whether the 25 applicants received aid in another county, we matched their names to the statewide listing of names of individuals who receive Medi-Cal, the Medi-Cal Eligibility Data System (MEDS). We used the MEDS because those individuals who receive Medi-Cal may also be eligible for and may receive AFDC, food stamps, or both. For each of the 25 applicants who withdrew but who may have been eligible, we determined through the MEDS that none of the applicants received Medi-Cal in another county immediately after the applicants withdrew.

Fraud Investigations Usually Do Not Delay Aid Payments

The Welfare Fraud Early Detection/Prevention Program of 1983 prohibits fraud investigations from delaying the payment of aid to eligible persons. Of the 416 approved applications in our samples of applications that were referred for investigations, we identified 5 cases in which the investigations delayed the payment of aid to the applicants. In each of the cases, however, the applicants were paid within the 45-day limit mandated by state regulations in the Department of Social Services' Manual of Policies and Procedures, Division 40, Section 40-126.1.

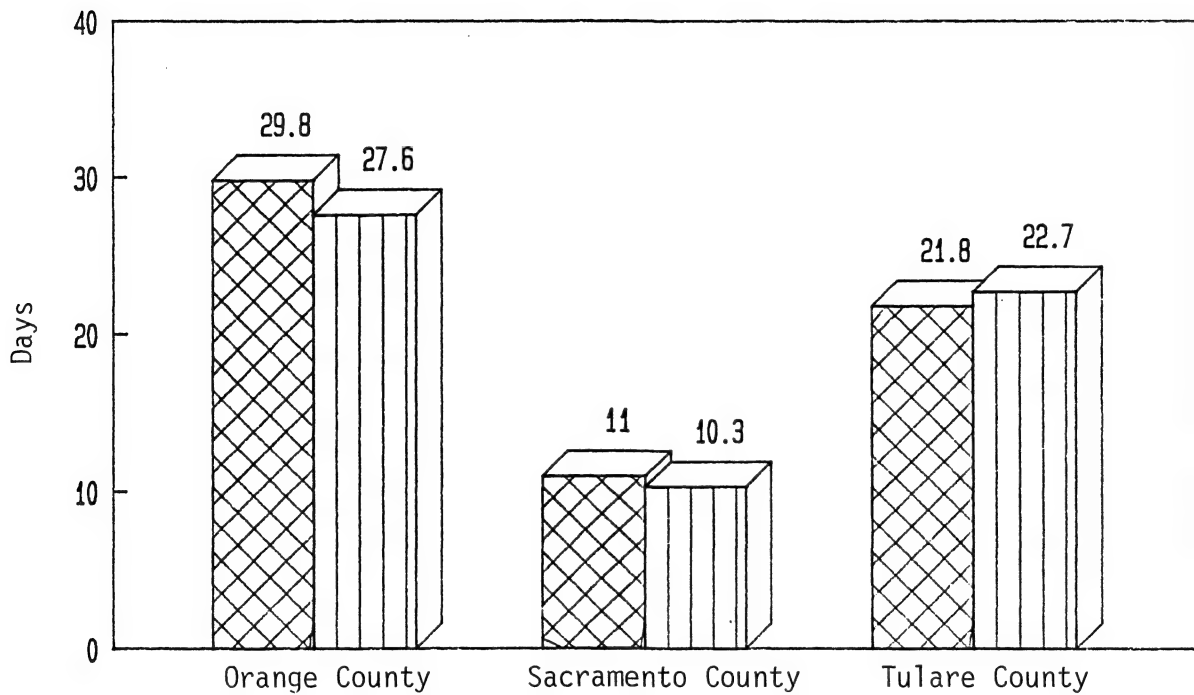
In each of the three counties we visited, we selected a random sample of applications that were referred for investigation but were later approved for payment, and we selected a random sample of applications that were not referred for investigation and were

approved. For each sample, we determined the average number of days that elapsed between the date the applicants applied for aid and the date the intake workers authorized the payments of aid.

Graph 5 compares the average number of elapsed days in the two samples in each county. As the graph shows, in Orange County and in Sacramento County, payment was authorized less quickly in cases that were referred for investigation than in cases that were not: an average of 2.2 days less quickly in Orange County and an average of 0.7 days less quickly in Sacramento. In Tulare County, payment was authorized 0.9 days sooner in cases that were referred for investigation than in cases that were not referred.

GRAPH 5

**AVERAGE NUMBER OF DAYS BETWEEN APPLICATION
AND APPROVAL: CASES REFERRED FOR INVESTIGATION
COMPARED TO CASES NOT REFERRED IN THREE COUNTIES
FISCAL YEAR 1985-86**



Cases referred and approved



Cases not referred and approved

In calculating the average number of days between application and approvals in Orange County, we found that most of the difference between our two samples was caused by cases in which the intake workers took longer than 45 days to authorize payment. We determined that, by eliminating these cases from the averages of both samples, the difference between the samples is reduced to 0.7 days. Thus, in those cases that were processed within 45 days, there is no significant difference between the time it took Orange County to approve aid in both of our samples.

We identified 15 cases in Orange County that were referred for investigation and for which payment was not authorized within 45 days. In all 15 cases, the fraud investigations did not cause the delays in the payments of aid to the applicants. For example, an applicant who applied for AFDC on June 28, 1985, missed or rescheduled appointments with the intake worker for almost a month. On July 22, 1985, the intake worker referred the case for fraud investigation, which took four days to complete. While the investigation was conducted, and for a month following the investigation, the intake worker waited for the applicant to submit information regarding unemployment insurance benefits. Finally, on August 26, 1985, 59 days after the applicant applied for aid, the intake worker authorized payment.

Although there was a difference of only 0.7 days between referred cases and cases that were not referred in Sacramento County, we determined whether cases were delayed by fraud investigations.

Unlike the difference between our samples in Orange County, the difference in Sacramento County was not caused by only a small number of cases. Therefore, to review cases with the most potential for having been delayed, we reviewed all cases that were referred for investigation and that took longer than 10 days for payment to be authorized. We did not consider cases taking 10 days or less for authorization as delayed because 10 days is the average time it took to authorize payment for a case that was not referred for investigation. Of the 51 cases that took longer than 10 days, we found 5 cases in which the fraud investigations delayed the payments of aid from 2 days to 9 days. Further, in 3 of these cases, the delays resulted in reductions of payments totaling \$134 and ranging from \$23 to \$86. These reductions occurred because the intake workers would not grant aid until the investigations were completed; an individual receives aid for a period that begins when eligibility has been established.

In all 5 of the cases delayed by investigations, the intake workers delayed authorizing payments until the investigations were completed after the intake workers had initially identified circumstances placing the applicants' eligibility in question. For example, in a case that was delayed 4 days, the applicant claimed that her husband had recently left her household. Although the intake worker established the applicant's eligibility, the intake worker referred the application for investigation to verify that the applicant's husband no longer lived with the applicant. Usually, intake workers continue to process applications whether or not the

fraud investigations have been completed. However, in these 5 cases, the intake workers decided to delay authorizing payments rather than risk authorizing payments to ineligible applicants. In all of these cases, however, the county paid the applicants within the 45-day limit mandated by Section 40-126.1 of the State Department of Social Services' Manual of Policies and Procedures.

CONCLUSION

Of the 8,642 aid application cases referred for investigation in Orange, Sacramento, and Tulare counties during fiscal year 1985-86, the counties prosecuted only 5 cases for fraud and obtained fraud convictions in only 3 cases. However, the counties denied an estimated 2,561 (29.7 percent) of the 8,642 applications. Fraud investigations either directly or indirectly contributed to the denial of as many as 1,585 (61.9 percent) of the 2,561 applications, or 18.3 percent of the 8,642 applications referred for investigation. Also, an estimated 824 applicants (9.5 percent) withdrew their applications. Of the 824 applicants who withdrew, fraud investigations either directly or indirectly contributed to as many as 380 (46.2 percent) withdrawals. We could not determine the number of eligible applicants who withdrew; however, we determined that all of the applicants in our samples who withdrew and who may have been eligible did not receive aid in another county after withdrawing their

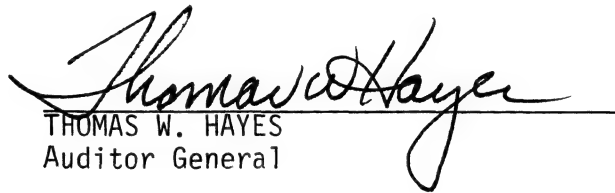
applications. Finally, fraud investigations usually do not delay the payment of aid to eligible applicants. Of the 416 approved applications in our samples of applications that were referred for investigations, we identified 5 cases in which the investigations delayed the payment of aid. The applicants in 3 of these 5 cases received a total of \$134 less in aid because of the delays.

RECOMMENDATION

The State Department of Social Services should reiterate to counties the statutory requirement that fraud investigations not delay the payment of aid to eligible applicants.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: December 15, 1986

Staff: Thomas A. Britting, Audit Manager
Michael Tritz
Sandhya Bhate
Emily Burstein
Paul Carrigan
Bahman Chubak
Keith Tsukimura

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 5, 1986

Mr. Thomas W. Hayes
Auditor General
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

OFFICE OF THE AUDITOR GENERAL'S (AGO) REPORT ENTITLED "THE WELFARE FRAUD EARLY DETECTION/PREVENTION PROGRAMS IN ORANGE, SACRAMENTO AND TULARE COUNTIES"

Mr. Stockdale has asked me to respond to the above audit report.

My Department's comments on your recommendation are as follows:

AGO Recommendation

"The State Department of Social Services should reiterate to counties the statutory requirement that fraud investigations not delay the payment of aid to eligible applicants."

State Department of Social Services' Response

The Department agrees that it should reiterate to counties the statutory requirement that fraud investigations not delay the payment of aid to eligible applicants. Upon receipt of the final report, a letter to that effect will be sent to those counties operating an Early Fraud Program.

If you have any questions regarding our comments, please contact me at 445-2077 or Mr. Robert Horel, Deputy Director, Welfare Programs Division, at 322-2214.

Sincerely,

A handwritten signature in cursive script, reading "Linda S. McMahon", is positioned above the typed name.

LINDA S. McMAHON
Director



LARRY M. LEAMAN
DIRECTOR

SOCIAL SERVICES ADMINISTRATION
1055 N. MAIN STREET, SUITE 600
SANTA ANA, CA 92701
(714) 834-2270

December 4, 1986

Thomas W. Hayes, Auditor General
State of California
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for the opportunity to review and to comment on the draft copy of your report entitled "The Welfare Fraud Early Detection/Prevention Programs in Orange County, Sacramento and Tulare Counties." As you requested, our comments are limited to matters which pertain to Orange County.

We are pleased with the findings of your report in that they correspond very closely to the findings which Arthur Young and Company found in its examination of the FRED program in Orange County for the federal government. However, we do have the following corrections and recommendations which we believe will enhance the report.

Criteria Counties Use to Refer Cases for Investigation

Table 1, page 6, needs to be corrected to reflect that all of the reasons for referral itemized in the Table are utilized by Orange County. (1)*

Investigative Techniques Counties Used

Table 2, page 11, needs to be corrected to reflect that all of the techniques itemized in the Table are utilized by Orange County. (2)

Regarding the Report's Distinction Between Denials and Withdrawals

We believe that withdrawals by ineligible applicants regardless of the reasons stated were stimulated by, or were the direct result of the FRED program.

*The Auditor General's comments on specific points contained in the agency's response appear on page 47.

Rate of Fraud

Regarding the issue of "Very Few of the Applicants Referred for Fraud Investigations are Legally Prosecuted for Fraud," cf pages 19-21.

It has never been the intent of the FRED program to focus on fraud prosecution. Its primary thrust is to prevent fraud from occurring.

It should be noted, however, that during the period of Fiscal Year 1985-86, Orange County was very active in the area of welfare fraud prosecution concerning continuing cases. During this period, welfare fraud investigations resulted in the submission of 323 requests for criminal complaints while convictions and pleas were obtained in 257 cases.

Delays Caused by Investigations

We are very pleased to note that the audit found that "the fraud investigations did not cause the delays in the payment of aid to applicants" and that Orange County as well as the other counties involved in the audit were in compliance with the promptness requirement of EAS 40-126 and with All-County Letter No. 83-75 which requires that "intake fraud referrals for investigations shall not delay the timely receipt of aid (including immediate need payments)." (3)

Cost Avoidance Estimates are Missing

Although we recognize that the charge given to your office did not include an estimate of cost avoidance associated with the FRED program, we believe that this is a material omission in the report and that such an estimate should be provided in the report. The Legislature should be provided with an estimate of the costs that were avoided as the result of the FRED program. (4)

Regarding the Recommendations

The audit report clearly indicates that there have been no delays in providing benefits to eligible applicants as the result of the FRED program. It seems unnecessary to have a recommendation to the State Department of Social Services "to reiterate to counties the statutory requirements that fraud investigations not delay the payment of aid to eligible applicants."

It seems to us that the finding that is supported by the report is that the Welfare Fraud Early Detection/Prevention Program is operating in compliance with the guidelines which the Legislature established.

We suggest the following alternative recommendation:

Recommendation

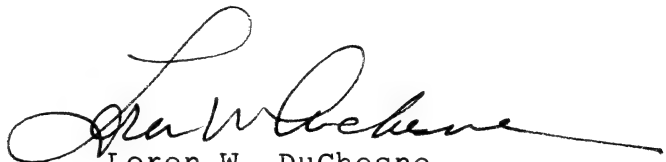
The Legislature should support the statewide implementation of early fraud prevention programs in accordance with the 1983-84 Budget Act relative to the statewide Welfare Fraud Early Detection/Prevention Program. (5)

We appreciate the opportunity to review your draft and to provide you with our comments and recommendations.

Very truly yours,



Richard P. Ruiz
Director, Financial Assistance
Social Services Agency



Loren W. DuChesne
Chief, Bureau of Investigations
Orange County District Attorney

*Auditor General's Comments:

- ① Although Orange County contends that all of the reasons for referral identified in Table 1 apply to Orange County, neither our interviews with intake workers and intake supervisors nor our review of the county's records support this contention.
- ② Report changed.
- ③ Orange County takes this quote out of context. In fact, we found 5 cases in Sacramento County in which payments were delayed by investigations and were reduced because of the delays. Further, with the exception of these 5 cases, we did not determine whether the counties were prompt in paying aid to applicants.
- ④ The 1986 Budget Act did not request that the Auditor General estimate the costs avoided as a result of the FRED program.
- ⑤ On page 39 of our report, we clearly state that investigations delayed payments in Sacramento County. Moreover, since there are 23 counties that have FRED programs, we believe it is appropriate for the Department of Social Services to reiterate the State's policy regarding delaying payments. Also, Orange County's suggested recommendation cannot be supported by the information in our report. Further, the 1986 Budget Act specifically directed the Department of Social Services to assess the potential results of implementing FRED programs in counties that currently do not have such programs.



COUNTY OF SACRAMENTO

DEPARTMENT OF SOCIAL WELFARE

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ROOM 6650
SACRAMENTO, CA 95814

PHONE (916) 440- 7111

December 8, 1986

DENNIS B. HART
director

PENELOPE CLARKE
*deputy director
public assistance
&
administration*

MILLIE MUNDING
*deputy director
social services*

Mr. Thomas W. Hayes
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Hayes:

Thank you for sharing the draft of your report entitled "The Welfare Fraud Early Detection/Prevention Programs in Orange, Sacramento, and Tulare Counties.

We have two comments relating to delayed aid due to fraud investigation activities.

First, we understand the statistical reasoning used to arrive at the 0.7 figure in both counties. Experience, however, leads us to the practical knowledge that cases taking an unusually long time to approve or deny, i.e. five weeks or longer, are almost always delayed by client failure to cooperate or provide necessary information. It is understandable that the 15 cases in Orange County showed no delays caused by fraud investigation. Once that group of cases was eliminated, however, the 0.7 day delay in both counties should have been subjected to the same methods of analysis. Why would a net 0.7 delay in Orange County be seen as "no significant difference" and hence not analyzed while the same 0.7 day delay in Sacramento County be seen as significant and analyzed further? It seems an unequal treatment of similar facts.*

Second, it must be emphasized that, on average, Sacramento County authorizes aid in under eleven days from date of application. This is less than one-half the time of the other studied Counties.

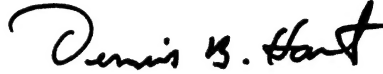
This emphasis on speedy delivery of services and aid is coupled with concern about eligibility factors being met. When they are not, or when there is a suspicion that we are receiving false information, it is our practice to take whatever steps we deem necessary to verify the information. Options available to us include early fraud referral; EW reinterview or collateral contact; and SIU Referral. Any of these options would likely increase granting time in this County because there is not much excess time available within the phase of 11 days' granting time. If our average granting time was 20 days or more, there very well may have been no impact shown. In conclusion, we believe that the observed increase in granting time is not totally attributable to the Early Fraud Program and that the subject cases would have taken the same amount of time or more time to grant in the absence of the Early Fraud Program.

*The Auditor General's comment on this point appears on page 50.

Our County strongly supports the Early Fraud Detection/Prevention Program and wants to see it continued and expanded to include cases in Continuing status.

Thank you for this opportunity to respond to the Audit.

Sincerely,



DENNIS B. HART
Director

DBH/AP:als

(4104W/asVIII)

*Auditor General's Comment: As we discussed on pages 38 and 39 of our report, cases referred for investigation in Orange County took an average of 2.2 days longer for approval than cases not referred. However, we attributed most of this difference to 15 cases whose delays were not caused by investigations. Therefore, we did not conduct any further review on cases that were referred for investigations. The delays in Sacramento County, unlike those in Orange County, were not confined to only a few cases. Therefore, we reviewed all cases in our sample that were referred for investigation and that took more than 10 days to process. We found that 5 cases were delayed because of investigations; in 3 of these cases, the applicants' aid was reduced by a total of \$134.



DEPARTMENT OF
PUBLIC SOCIAL SERVICES

REPLY TO
OFFICE CHECKED:

MEHL SIMMONS, Director
YOLANDA RINALDO, Assistant Director
ARNOLD FEIN, Assistant Director

- ☐ Child Protective Services
Child Abuse
1 (800) - 331-1585

December 4, 1986

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- ☐ 148 South 'L' St.
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- ☐ Adoption & Permanency
Planning Unit
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- ☐ Foster Care Court
Dependency Division
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- ☐ 900 N. Sequoia
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Lindsay, CA 93247
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Thank you for sharing a draft copy of the report your Agency has prepared entitled "The Welfare Fraud Early Detection/Prevention Programs in Orange, Sacramento and Tulare Counties." The report does indeed reflect excellent productivity on the part of the Tulare County Special Investigations Unit, as well as the overall effectiveness of the "FRED" Program.

Please be assured that Tulare County will continue to support the FRED Program. We are most encouraged by the analysis of our activities that you have provided, and will be most interested in "marketing" the beneficial results to our own community as well as offering technical assistance to other entities which may become interested in implementation in the future, once the final report is issued.

MEHL SIMMONS, DIRECTOR

MS:bp

cc: John McClure,
Tulare County Executive Officer



cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps